
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.26.2010

Wall Street Journal: "New Plan to Cut Some Mortgage Balances ... The White House will announce Friday an expansion of its foreclosure-prevention efforts to include reducing mortgage loan balances for some borrowers, a controversial step that policy makers have long resisted, people familiar with the plans said."

Wall Street Journal: "More Than Dozen Banks Suspected Co-Conspirators in Muni Case ... More than a dozen banks and investment firms are suspected co-conspirators in a criminal probe by the Justice Department's Antitrust Division into alleged bid rigging and price fixing in the municipal derivatives market, according to a court filing."

Wall Street Journal: "Debt Fears Send Rates Up ... A sudden drop-off in investor demand for U.S. Treasury notes is raising questions about whether interest rates will finally begin a march higher-a climb that would jack up the government's borrowing costs and spell trouble for the fragile housing market."

Wall Street Journal: "Bernanke Edges Toward Asset Sales ... Federal Reserve Chairman Ben Bernanke nudged the U.S. central bank Thursday toward gradually selling some of its \$1.25 trillion portfolio of mortgage securities, an idea he had been lukewarm about before."

Wall Street Journal: "Bernanke: Fed Likely to Sell Some of Its Mortgages Eventually ... Federal Reserve Chairman Ben Bernanke carves out new ground in his testimony to Congress today, saying the Fed is likely to start at some point gradually to sell some of its large holdings of mortgage backed securities."

Wall Street Journal: "Treasury Defends Foreclosure Program Under Fire From Watchdogs ... House lawmakers and government watchdogs took aim at the Obama administration's efforts to help struggling homeowners on Thursday, even as the Treasury Department defended and heralded new changes to the program."

Washington Post: "Obama readies steps to fight foreclosures, particularly for unemployed ... The Obama administration plans to overhaul how it is tackling the foreclosure crisis, in part by requiring lenders to temporarily slash or eliminate monthly mortgage payments for many borrowers who are unemployed, senior officials said Thursday."

Washington Post: "Rescue package for Greece approved ... European leaders on Thursday approved a rescue package for Greece that would combine the promise of loans from Europe with assistance from the International Monetary Fund, a hybrid arrangement that could put part of Europe's common currency zone under the global agency's strictures for the first time."

Washington Post: "Obamacare's next trick: the VAT ... As the night follows the day, VAT follows health-care reform."

Fox Business: "Bachus Vs. Geithner II

... You can add Republican Congressman Spencer Bachus to the long and growing list of people who think Treasury Secretary Tim Geithner favored Wall Street over Main Street during the financial crisis, FBN has learned."

NY Times: "U.S. Plans Big Expansion in Effort to Aid Homeowners ... The Obama administration on Friday will announce broad new initiatives to help troubled homeowners, potentially refinancing several million of them into fresh government-backed mortgages with lower payments."

NY Times: "Bernanke Hints at Timing of Exit Strategy ... The Federal Reserve chairman, Ben S. Bernanke, hinted on Thursday that the central bank might be open to selling part of its huge portfolio of mortgage-backed securities when the time came to start tightening credit."

NY Times: "S.E.C. Plans to Review Derivatives Used in Funds ... The Securities and Exchange Commission announced Thursday that it was reviewing the use of swaps and other derivatives by mutual funds, exchange-traded funds and other investment products that are often marketed to individual investors."

NY Times: "Shelby Criticizes Reform Bill, Saying It Won't End 'Too Big to Fail' Problem ... The Democratic bill to overhaul the nation's financial system would not end the "too big to fail" phenomenon or adequately protect taxpayers from having to bail out large companies, a leading Republican senator said on Thursday."

Washington Times: "COLLINS & HOLZ-EAKIN: Rewriting history of bailout ... It is remarkable how quickly the emotions of the financial panic of the fall of 2008 have faded from public memory."

Bloomberg: "Lower Home Prices Can Fix What Government Can't: Caroline Baum ... Thud! Four years after the peak of the housing bubble, home sales are slumping... again."

Politico: "Richard Shelby: Timothy Geithner distorting my view ... The top Republican on the Senate Banking Committee said that Treasury Secretary Tim Geithner mischaracterized his position in a speech praising the Senate Democratic financial reform bill."

Politico: "Reforming a broken mortgage system ... Treasury Secretary Timothy Geithner testified Tuesday on a plan to reform Fannie Mae and Freddie Mac, the government-sponsored enterprises now in limbo. But we don't have to wait years to reform the mortgage system; a better approach could be introduced right away."

The Hill: "Shelby: Dodd bill does not end 'too big to fail' ... Sen. Richard Shelby (R-Ala.), the top Republican on the Senate Banking Committee, said Democrats' financial overhaul bill includes a "backdoor way" for bailouts."